

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 28 - SB 20

February 27, 2017

**SUMMARY OF BILL:** Authorizes a regional airport authority, formed pursuant to Tenn. Code Ann. § 42-3-104(a)(3), to borrow money and issue revenue bonds, including revenue refunding bonds, for any corporate purpose. Authorizes governing bodies of the participating municipalities or counties in such a regional airport authority, by resolution, to pledge the full faith and credit and unlimited taxing power of the participating governments as guarantors to the payment of the principal or premium and interest on bonds.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Due to multiple unknown factors, a precise impact to local government cannot reasonably be determined; however, any impact to local government is considered permissive.**

Assumptions:

- A regional airport authority pursuant to Tenn. Code Ann. § 42-3-104(a)(3) is formed when three or more municipalities and counties and at least one political subdivision of another state jointly create and participate in a regional airport commission, and by a resolution of each participating legislative body, create a public body to be known as a regional airport authority.
- Based on information provided by the Tennessee Aviation Association, currently, the only regional airport authority in Tennessee created under Tenn. Code Ann. § 42-3-104(a)(3) is the Tri-Cities Airport Authority (TCAA).
- The TCAA commission is comprised of the following cities and counties: Johnson City, TN, Kingsport, TN, Bristol, TN, Bristol, VA, Washington County, TN, and Sullivan County, TN.
- The permissive increase in local government bond revenue and corresponding permissive increase in bond repayment expenditures to TCAA associated with any coupon and maturity of such bonds is dependent on multiple unknown factors such as: the number of bonds that may be issued by the TCAA, the type and maturity date of such bonds, any revenue collected from projects completed with bond revenue, the number of governing bodies of the TCAA electing to pledge full faith and credit for any such bond, and the number of bonds that TCAA will default on.

HB 28 - SB 20

- Given the extent of unknown factors, any permissive impact to local government cannot be reasonably determined.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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